



Congressman Tim Bishop

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BISHOP WELCOMES INTRODUCTION OF PLAN TO PERMANENTLY ELIMINATE ALTERNATIVE MINIMUM TAX

WASHINGTON, DC—Congressman Tim Bishop (NY-1) welcomed the introduction of legislation to eliminate the Alternative Minimum Tax (AMT) which hurts hundreds of thousands of middle class families on Long Island. The Tax Reduction and Reform Act of 2007 would provide tax relief to more than 90 million families. In addition to eliminating the AMT in 2008, the bill contains a refundable child tax credit, an increased standard deduction, and an enhanced earned income tax credit (EITC)

“I welcome the introduction of this legislation which has at its starting point the total elimination of the Alternative Minimum Tax,” Bishop said. “Eliminating the AMT in a fiscally responsible manner has been my top fiscal priority since I was elected to Congress. While there will be many details to be worked out before we have a bill that can be passed into law, the important thing is that we have a Congress which is committed to eliminating this tax. This bill is a good first step and long overdue.”

The AMT was intended to block wealthy Americans from using various loopholes to avoid paying taxes. However, it is increasingly impacting hardworking Long Islanders whose incomes have risen over the years, as the AMT was not indexed for inflation, and does not allow many popular deductions targeted towards middle class families. The AMT currently affects nearly 100,000 residents of the 1st Congressional District and more than 458,000 Long Islanders in total. These numbers will only increase if action is not taken.

In order to shield middle class families from the AMT, Congressman Bishop had introduced an amendment to end the AMT for all families making less than \$250,000, and has voted to extend the AMT exemption levels for several years.

The Tax Reduction and Reform Act includes provisions to help keep American companies competitive internationally and closes wasteful corporate tax loopholes.

In order to pay for the estimated \$1.2 Trillion, 10-year cost of eliminating the AMT and not increase the deficit, the legislation would increase taxes on families earning on average \$500,000 or more by adding a 4.6% surcharge on revenue over that amount.

“My fiscal priorities are eliminating the Alternative Minimum Tax and reducing the deficit,” Bishop said. “While I am open to considering alternatives to paying for AMT repeal, doing so is a must. It must be paid for without raising the budget deficit.”

In addition to this legislation, Bishop is working with his colleagues to pass a separate bill to provide immediate AMT relief and ensure middle-class taxpayers are not saddled with a significant tax increase.

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